



**EFFAT**

EUROPEAN FEDERATION OF FOOD, AGRICULTURE AND TOURISM TRADE UNIONS

**BRUSSELS CONFERENCE**  
**INTRODUCTORY REPORT BY FSI EXPERTS**  
**JUNE 2012**

Coordination of social security schemes in connection with the free movement of workers: EFFAT's contribution to the development of coordination between social security bodies and to the improvement of information in the agricultural sector



**With financial support from the European Union**  
**VS/2011/0318**



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## 1-Project Objectives

This project is a response to a call for proposals from the European Commission (DG Employment, Social Affairs and Equal Opportunities) for "*Actions for cooperation and information on social security coordination*" and addresses the Call's Objective 1, namely: "Initiatives and actions with a transnational dimension which:

- aim at developing cooperation between social security institutions,
- aim at improving information to the public about their rights and obligations deriving from the EC regulations on social security coordination when exercising the right of free movement."

With that in mind, we are looking at two specific types of initiative:

1. Initiatives aimed at developing cooperation between social security institutions on the basis of different projects carried out by EFFAT on migrant, posted and seasonal labour. These studies have produced a number of conclusions, including:

- transnational relations are under-developed and social partners rarely included. This project incorporates this factor and proposes to respond to it through participation by social security bodies and the inclusion of educational content in the training sessions held for EFFAT national member organizations;
- too little is known about procedures, and it is therefore impossible to combat illegal work effectively. A better understanding of rights, duties and risks in this respect is likely to reduce the extent of such work.

2. Initiatives aimed at improving public information on rights and obligations.

Trade union organisations in this sector must become more involved in a monitoring and advisory capacity with regard to posted, seasonal and migrant workers. EFFAT has a wide network of members via national trade union organisations and is therefore able to reach a large number of people who want to work outside their country of origin, subject, however, to implementing a number of joined-up actions such as:

- creating a support structure specific to seasonal, posted and migrant workers;
- creating a website aimed at these groups and run by the national organisations in partnership with social security organisations on the basis of an agreement;





- posting practical information on trade union websites with links to other sites;
- creation of a standardised welcome booklet based on those used in some Member States (devised as a product of transnational projects in our sector) by migrant and seasonal labour provider and/or user enterprises, and employment agencies;
- production of educational content aimed at national trade union organisation trainers to be disseminated at training sessions for their member unions.

This project therefore targets two objectives:

- 1 - to contribute to the development of collaboration between social security institutions in partnership with EFFAT member trade union organisations
- 2 - to contribute to the improvement of public information on rights and obligations in support of social security institutions, targeting the agricultural sector particularly concerned.

It also bears mentioning that coordination was looked at in the 2008/2009 mobility project.

## 2-General project organization

Four types of action:

ACTION	CONTENT
<p><u>1-Preparation</u></p> <p>4 points</p> <p>Posted on <a href="http://www.agri-info.eu">www.agri-info.eu</a></p>	<p>a)-Five point study: round-up of earlier work, mapping of coordination practices (BG-DE-DK-ES-FR-IT-PL-RO-SV), cooperation agreements, employer practices, surveys</p> <p>b)-Analysis, development of recommendations and a working method</p> <p>c)-Production of a teaching guide and content tied into the training sessions</p> <p>d)-Production of a welcome booklet</p>





<u>2-Validation</u>	Two seminars: Italy - Romania  A preliminary report and a wide range of information will be given to both seminars, and the research issues will be discussed to add to the information and current developments
<u>3-Decision and Dissemination</u>	A wrap-up conference will be held to present the final project outcomes and develop a plan for implementing these outcomes relevant to all states concerned (9 Member States: BG-DE-ES-FR- IT-PL-RO).
<u>4-Evaluation and Monitoring</u>	All the debates and discussions will be analysed at an evaluation meeting when decisions will be taken on: <ul style="list-style-type: none"><li>• Means of presentation to the sectoral social dialogue committee (Agriculture)</li><li>• Means of dissemination to all Member State trade unions in the agricultural sector</li><li>• Means of dissemination to other sectors and organizations</li></ul>

### 3-Survey results

Two types of survey were planned:

a)-One for your organizations, for which you were given a document that was added to. The organizations at the Lecce workshop discussed that document, and the extent to which they could respond to it, at length. That document took the form of a country-specific report divided into four distinct parts:

#### Part I – National social security schemes

Two topics were proposed:

A –OCCUPATIONAL DISEASE AND ACCIDENT RISKS

B - PENSIONS





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This report reviews aspects of the broad picture extracted from a series of tables filled out by almost all the countries concerned. These matters are put up for discussion at the conference as once both the transcribed data and discussions have been validated the results will be posted on the website referred to in this report, hyperlinked from each partner's website.

The purpose of the conflict-of-law rules is:

- to make all migrant workers from EU Member States subject to a single Member State system;
- to avoid the overlapping application of multiple Member States' laws;
- to prevent social security coverage being lost where there is no legal provision, even that of one Member State.

All this seems very straightforward!

But agriculture takes in a wide range of different working conditions – so are all workers covered by the system?

All workers must have state-regulated and -organized sickness insurance. In most countries, they must be joined in the scheme from day one of their work.

All workers must be protected against work-related accidents by (statutory) accident insurance. They must be joined in the scheme from day one of their work.

All countries have unemployment insurance - but with different qualifying periods. As a result, migrant and seasonal workers are often not covered by the system.

All employees must be joined in the pension insurance scheme. Qualifying periods are different and there are exceptions. The system does not cover all workers, especially migrant workers.

Some countries (Germany) have specific health care insurance

Supplementary retirement pension provision is made in collective agreements, e.g., in Germany

There is early retirement provision ("Hacklerregelung" in Austria) for jobs involving hard physical labour.





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## Conclusion

All countries have a basic social protection entitlement.

However, this general rule can be bypassed in many legal and other ways:

- undeclared work,
- flouting the rules.

Not all employees benefit from adequate social protection.

Specific issues:

- Poor coverage of unemployment risks.
- Underpayment or no payment into the pension scheme, so old-age poverty can be expected to rise.
- Direct conflict with the 2<sup>nd</sup> pillar objective of the CAP: combating rural poverty

## Part Two-Treatment of migrant workers

This posed huge problems in that where the data on:

1. Number of A1/(E101) certificates
2. Description of problems:
3. Information arrangements and opportunities
4. Identification of social security institution coordination practices

are concerned, none of the organizations surveyed were able to give precise answers. This brings us up against a big challenge and seriously hampers any attempt to bring about a proactive relationship between the social partners and social security institutions, in particular. In a previous project in France, the makings of ongoing exchanges seemed to be taking root, but lacked staying power. We recommend that this action be given a fresh impetus as it arguably holds the key to national organizations' responsiveness to what workers want to know about movement and coordination (see below), and the evidence is that they have expectations of trade unions and a need for advocacy.

A 5<sup>th</sup> point addressed was initiatives to improve public information on rights and obligations. Avenues for exploration included:

- Creating a support structure specific to seasonal, posted and migrant workers;

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- Creating a website aimed at these groups (incorporating a link to the EURAXESS portal) and run by the national organisations in partnership with social security organisations on the basis of an agreement;
- Posting practical information on trade union websites with links to other sites;
- Creation of a standardised welcome booklet based on those used in some Member States (devised as a product of transnational projects in our sector) by migrant and seasonal labour provider and/or user enterprises, and employment agencies;
- Production of educational content aimed at national trade union organisation trainers to be disseminated at training sessions for their member unions.

The website was the tool that received by far most votes subject to being easily usable, especially in language terms. This will be discussed further later on.

b)-The other was a panel of employees from the different countries involved:

The questionnaire distinguished two specific groups:

Returned workers	Still-employed workers
Survey of a sample of workers from the countries where most seasonal workers originate (Bulgaria, Romania) on their personal experience of working under an employment contract in another member country. These workers are members of trade unions in both countries, the list of whom will be compiled by the member organizations (FNSZ/FITUA, NFZGS-Podkrepa, Agrostar).	Survey of workers whose employment contract is being performed in a member country other than their country of origin.

There was no standard format for the questionnaire design, but it had to:

1. identify the gaps in prior information
2. gauge the level of information needed







The full number of responses required to paint a detailed picture and a summary of sufficient general relevance were not received. Two countries replied and we are awaiting the results from a third.

### Summary results:

#### **Ä Bulgaria:**

The Federation of Independent Trade Unions in Agriculture sought to fulfil its partnership commitment to this project by making contact with the national institutions involved in the procedure for implementing the coordination of social security systems (Regulation № 883/2004 on the coordination of social security systems), namely: the National Social Insurance Institute, the National Revenue Agency, the National Health insurance Fund, the Social Assistance Agency operating under the Ministry of Labour and Social Policy. It was decided to hold a workshop to discuss issues related to insurance for agricultural workers in relation to free movement of labour and working abroad. The aim was to get and exchange relevant information on the transfer of information between stakeholders dealing with the social security entitlements of farm workers and farmers - which is a big issue in the agricultural sector - and to look for and work out alternative ways of overcoming obstacles to labour mobility in the sector.

Another approach was to interview three Bulgarian nationals who had worked in agriculture in different member states, and subsequently returned to Bulgaria. During the interview, they asked questions that evidenced the level of Bulgarian public awareness of social security and the rights of workers abroad. When looking at the information needs, the question is what specific information do workers in the sector need? Freedom of movement for Bulgarians in the European market since 2007 also raises questions about guarantees and safeguards for civil society, labour and social security/employment rights. Employees (under employment contracts), self-employed workers, civil servants, students, pensioners, tourists and other sectors of the population who enjoy the right of free movement and residence within the European Union face a host of troubling questions like: who pays for hospital treatment in case of an accident or illness while travelling and during the stay, occupational pension rights in a foreign country, which country pays unemployment benefits, family allowances, how





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and where can social insurance and sickness insurance be paid, the time taken to get a reply, etc. The answers that the well-known European provisions give to these questions guarantee effective and comprehensive social protection for exercising fundamental freedoms in the EU. One part of these rules is Regulation 883/2004 whose requirements have been carried over into Bulgarian law and the Social Security Code. People's right to equal treatment, equal treatment of benefits, income, things that preclude accrual of benefit entitlements, the implementation of uniform law, compulsory insurance in the country where the work is done are key principles. The relevant institutions for implementing the regulations in our country are: the National Revenue Agency, the National Health Insurance Fund, the National Social Insurance Institute, and the Social Assistance Agency under the Ministry of Labour and Social Policy.

The trade unions are involved in implementing the regulations on coordination of social security systems in the EU. The Confederation of Independent Trade Unions of Bulgaria has set up a network of experts specialized in labour rights, social security and the EU and in resolving individual and collective labour disputes. The Federation of Independent Trade Unions in Agriculture is actively involved in it. This network provides a platform for maintaining and further developing regional, sectoral and branch union expertise for effective action in collective bargaining, the protection of social security and labour rights, exchanges of information, experience and expertise. CITUB/KNSB has also created sub-networks for social security rights, provided information materials on putting the right to freedom of movement within the EU into practice, as well as specific information on the employment rights of Bulgarians working in the most popular destinations: Greece, Great Britain, Austria, Spain and Germany. How are the rules to be applied in the agricultural sector? A major finding is that most agricultural workers in Bulgaria know too little about their civil, social security and employment rights and the risks of forfeiting rights from working under a verbal agreement with no written contract. The FNSZ interviews made clear the sector's complexity, pre-departure information and putting workers in possession of their rights. In response to the question, "How did you find that job abroad?", the three interviewees replied "through personal contacts and friends' recommendations". While these interviews lay no claim to be representative, it must be emphasized that job-seekers do not always turn first to official bodies when looking for work in the agriculture sector.





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## Ä Romania:

Panel interviewed: 20 people in total

MEN: 13	WOMEN: 7
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Location of workplace:

Germany	Belgium	Cyprus	Spain	Italy	United Kingdom
2	2	1	11	4	2

Note: Total exceeds 20 because some people worked in more than one country.

The jobs occupied were in different sectors and/or lines of work: 9 construction workers, 3 home sitters, 2 waiting staff in the hospitality industry, 1 elder care provider, 1 furniture factory worker, 1 car mechanic, 1 driver, 1 pottery factory worker, 1 babysitter, 1 textile worker, 1 typographer.

Half had worked between 4 and 10 years in their country of settlement, while the other half had much shorter-term contracts of between 3 months and 1 year.

55% thought they had been sufficiently informed about social security before leaving the country for another Member State (information sent afterwards). On the other hand, these people had not sought health care. 30% thought they had not been given sufficient information, and 15% did not respond. Almost none of them had had to apply to the host country's social security benefit offices.

55% also thought it would be helpful to receive information about occupational sickness and accident insurance, pension rights and more generally information on any social security-related entitlements created by an employment contract. The remainder did not reply. The means of communication could be direct: handed over, or on receipt of the employment contract, by post, email, telephone, etc. All forms of communication were cited.

The final point to be considered which was raised in a 2011 project is that almost all respondents (19 out of 20) thought the support of a trade union in the country of employment would be helpful.





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## 4-Coordination of social security institutions: what does it mean?

### ▣ General Rules

EU legislation on the coordination of social security systems does not replace national systems by a single European system. Countries determine the beneficiaries, the amount of benefits and eligibility in accordance with their own laws. What the EU does is to provide common rules to protect social security rights when moving within Europe (EU 27, Iceland, Liechtenstein, Norway and Switzerland).

### Who do the rules apply to?

- Nationals of the EU, Iceland, Liechtenstein, Norway and Switzerland who are or have been insured in one of these countries and the members of their families.
- Stateless persons and refugees residing in the EU, Iceland, Liechtenstein, Norway and Switzerland who are or have been insured in one of these countries and the members of their families.
- Third country nationals lawfully residing in the EU who have moved between these countries, and the members of their families.

### Basic principles

1. The worker is covered by the legislation of a single country and therefore pays contributions only in that country. The social security institutions decide which legislation he falls under. The worker cannot choose.
2. The rights and obligations are the same as those of nationals of the country in which he is covered. This is known as the "equality of treatment or non-discrimination" principle.
3. Prior periods of insurance, employment or residence in other countries may be taken into account in calculating the benefit entitlements.
4. A worker who is entitled to a cash benefit in a country may in principle claim it even if he does not live in that country. This is known as the "exportability" principle.

Revised rules on the coordination of social security systems ([Regulations 883/2004 and 987/2009](#)) apply from 1 May 2010.





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Further information can be found at: <http://ec.europa.eu/social> and the network of experts (trESS): [www.tress-network.org](http://www.tress-network.org)

## **☒ Pensions**

The following rules apply if the worker lives and has worked in one or more [EU countries, Iceland, Liechtenstein, Norway or Switzerland](#).

### **Who pays pensions?**

- In all countries, insurance periods are recorded until the worker reaches state pensionable age.
- Each country in which he has been insured for at least a year will pay him an old-age pension when he reaches the [state pensionable age set by that country](#).
- For example, if the worker has worked in three countries, he will receive three separate old-age pensions.

### **How is the pension calculated?**

The pension will be based on the periods of insurance in each country: the amount the worker will receive from each country will depend on how long he has been covered by the social security scheme in that country. He will receive a summary note ([P1 document](#)) giving an overview of the decisions taken by each country on his pension claim.

### **Where to apply to?**

Even if the worker has worked in several countries, he must still apply for his pension in the country where he resides unless he has never worked there, in which case he must apply in the country where he worked for the last time.

[Consult the database of social security institutions:](#)

European Commission>Employment, Social Affairs and Inclusion>your rights by country. The site is particularly user-friendly: clicking on a country calls up all the information needed in 23 languages. <http://ec.europa.eu/social>

### **State pensions abroad**

A worker will be paid his pension regardless of where he is living in Europe ([EU 27 + Iceland, Liechtenstein, Norway and Switzerland](#)).





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## **Other pensions**

Generally-speaking, the rules that apply to old-age pensions also apply to [invalidity pensions](#) and pensions for [surviving spouses or orphans](#)

## **5-News and trends**

On 16 February 2012, the Commission published a Pensions White Paper [COM (2012) 55 final] - "An Agenda for Adequate, Safe and Sustainable Pensions". This information-packed document suggests various forward policy orientations, some of which have already been put in hand in various Member States and many of which have sparked labour unrest.

### **Extract from the White Paper:**

*"The Commission's 2011 and 2012 Annual Growth Surveys highlighted key orientations for pension reforms which contribute to growth-friendly fiscal consolidation and will ensure adequate and sustainable pensions. To achieve these objectives, the AGS emphasised the relevance of securing a better balance between years spent working and years in retirement and of promoting complementary retirement savings. More specifically the Commission recommended to:*

- (a) link the retirement age with increases in life expectancy;*
- (b) restrict access to early retirement schemes and other early exit pathways;*
- (c) support longer working lives by providing better access to life-long learning, adapting work places to a more diverse workforce, developing employment opportunities for older workers and supporting active and healthy ageing;*
- (d) equalise the pensionable age between men and women; and,*
- (e) support the development of complementary retirement savings to enhance retirement incomes."*

*Ä Over and above these recommendations, it arguably bears mentioning that various studies find a link between increased retirement age and a likely fall in life expectancy.*





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Bearing the Commission's analyses and recommendations in mind, what follows is a prospects report for the countries present at the Lecce workshop (source: White Paper). Each assessment is followed by comments from the country concerned where they were made.

MEMBER STATE		GERMANY			
Life expectancy at 65 M/F (2010)	Labour market exit age M/F (2009)	Pension age M/F (2009)	Pension age M/F (2020)	Increases in pension age after 2020 M/F	Pension fund assets, % of GDP, 2009
17.8/ 20.9	62.6/ 61.9	65/65	65y9m / 65y9m	67/67	5.2.
Country Specific Recommendations (CSR) on pensions (or Memorandum of Understanding references)					
Latest reforms/comments					
An increase in pensionable age from 65 to 67 between 2012 and 2029 was legislated in 2007. However, the pension reform will lead to a reduction of the benefit level, which is supposed to be compensated for by capital-funded pensions. In order to prevent growing old age poverty, the Minister for Labour and Social Affairs has announced a new pension supplement ("Zuschussrente") which is now under discussion. In addition, an extension of coverage in social pension insurance for self-employed people who are not members of a mandatory pension scheme is discussed.					
Comment by the trade union organisation:					
A study in Germany indicates that at an hourly wage of €9.11 it will take a contribution record of 45 years to earn the minimum pension entitlement. We must fight old-age poverty, as stated in the 2 <sup>nd</sup> pillar of the Common Agricultural Policy (CAP).					





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MEMBER STATE		AUSTRIA			
Life expectancy at 65 M/F (2010)	Labour market exit age M/F (2009)	Pension age M/F (2009)	Pension age M/F (2020)	Increases in pension age after 2020 M/F	Pension fund assets, % of GDP, 2009
17.9/ 21.4	62.6/ 59.4	65/60	65/60	65/65	4.9
Country Specific Recommendations (CSR) on pensions (or Memorandum of Understanding references)					
CSR 3- In consultation with the social partners and according to national practices, take steps to further limit access to the current early retirement scheme for people with long insurance periods and take steps to reduce the transition period for harmonisation of the statutory retirement age between men and women to ensure the sustainability and adequacy of the pension system. Apply strictly the conditions for access to the invalidity pension scheme.					
Latest reforms/comments					
Two areas of reform set out in 2010: First, as of 2014 stricter rules will apply for early retirement on the basis of long-term insurance records ('Hacklerregelung') by increasing the qualifying age by 2 years, i.e. from currently 60 to 62 years for men, and from currently 55 to 57 years for women, and only counting active employment as contributory time. Second, as from 2011 invalidity pensions have become conditional on participation in a rehabilitation measure. In addition, a centralised system for assessing applications for this type of pension has been introduced. A working group has been established to develop further reforms on basis of a proposal presented by the social partners in October 2011.					
Comment by the trade union organisation:					
Our pension system is under discussion. We have a single system with one-choice insurance funds. Insurance is the same for Austrian and foreign nationals alike. An austerity plan has been discussed and we expect the situation to get worse. Up to 2014, women will get their pension at 60, with transitional measures to achieve gender equality. Invalidity and incapacity insurance apply up to age 55 with rehabilitation measures. The debate on social security is ongoing. There is a so-called "corridor" mechanism whereby men can retire between 62 and 65 if they have a work record of					







45 years. Women are not affected because the state pensionable age is still 60.

Workers in physically gruelling jobs or with poor health can retire, but must have done at least 10 years of heavy manual labour or the pension amount is reduced. Parliament will take a transitional decision with a simplified calculation. We are addressing the rules: some workers in Austria with too short a work record (the minimum is 2 years' employment) are not covered. There are many problems in forestry.

MEMBER STATE			BULGARIA		
Life expectancy at 65 M/F (2010)	Labour market exit age M/F (2009)	Pension age M/F (2009)	Pension age M/F (2020)	Increases in pension age after 2020 M/F	Pension fund assets, % of GDP, 2009
13.6/ 17	64.1/ 64.1	63/60	63/60	65/63	N/A
Country Specific Recommendations (CSR) on pensions (or Memorandum of Understanding references)					
CSR 3- Implement the agreed steps with social partners under the current pension reform, advance some of its key measures that would help to increase the effective retirement age and reduce early exit, such as through the gradual increase of the social insurance length of service, and strengthen policies to help older workers to stay longer in employment.					
Latest reforms/comments					
Initially, the 2011 reform foresaw an increase in pension age from 63/60 (M/W) to 65/63 between 2021 and 2026, and for people without full careers, to age 67 (both genders after 2024). Contributory periods are also lengthened for several categories of employees, contribution rates raised in 2011 and 2017, and accrual rates in 2017. In mid-November 2011 the Government proposed, within the parliamentary debate on the draft 2012 budget, to considerably advance some of the key components of the pension reform previously foreseen for 2021. To this end, the Parliament adopted in the beginning of December 2012 legislative changes envisaging a gradual increase of the pension age for both genders by 4 months per year - as of 1 January 2012 until reaching a pension age of 65 years for men and 63 years for women.					





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MEMBER STATE			SPAIN		
Life expectancy at 65 M/F (2010)	Labour market exit age M/F (2009)	Pension age M/F (2009)	Pension age M/F (2020)	Increases in pension age after 2020 M/F	Pension fund assets, % of GDP, 2009
18.5/ 22.7	61.2/ 63.4	65/65	65/65 (66y4m/ 66y4m)	67/67	8.1.
Country Specific Recommendations (CSR) on pensions (or Memorandum of Understanding references)					
CSR 2- Adopt the proposed pension reform to extend the statutory retirement age and increase the number of working years for the calculation of pensions as planned; regularly review pension parameters in line with changes to life expectancy, as planned, and develop further measures to improve lifelong learning for older workers.					
Latest reforms/comments					
<p>The 2010/2011 pension reform increased the pensionable age from 65 to 67 (implemented gradually between 2013 and 2027), increased the length of contribution period entitling to a full pension benefit from 35 to 37 years, early retirement age normally increased to 63 from 61 (but with the possibility to retire at 61 retained during the economic crisis for those with at least 33 years of contributions) increased penalties for early retirement, extended the period of contributions taken into calculation of base pension from 15 to 25 in 2022, introduced a sustainability factor from 2027 with cyclical revisions every 5 years, introduced longer periods for childcare crediting, and simplified the system (schemes for agricultural and domestic workers were integrated into general scheme). On 28 October 2011, the Government approved the Global Employment Strategy for Older Workers 2012-2014 (in Spanish, "55 y más" Strategy). This initiative constitutes a fundamental complement to the reform of the pension system passed in September this year. The "55 y más" strategy establishes four objectives: (i) to increase the employment rate and reduce unemployment among this group; (ii) to assist in the maintaining of jobs; (iii) to improve working conditions and (iv) to foster their reincorporation in the job market.</p>					
Comment by the trade union organisation					
<p>Agriculture and social security are fragmented in ways that are good for jobs but not for competitiveness. The previous government and unions implemented reforms that doubled agricultural workers' entitlements relative to other sectors. The minimum pension is €450 but contributions have risen to pay for it. Since 1/01/2012 all workers</p>					





have the same entitlements but pay a higher contribution rate. In Andalusia many workers are entitled to unemployment benefit - 35 days' worked gives an entitlement to up to 6 months' unemployment benefit. Employers close to the People's Party want a review of the previous agreement concluded with Zapatero. The underground economy was big and more needs doing to tackle it

MEMBER STATE			FRANCE		
Life expectancy at 65 M/F (2010)	Labour market exit age M/F (2009)	Pension age M/F (2009)	Pension age M/F (2020)	Increases in pension age after 2020 M/F	Pension fund assets, % of GDP, 2009
18.7/ 23.2	60.3/ 59.8	60-65/ 60-65	62 -67/ 62-67	-	0.8

Country Specific Recommendations (CSR) on pensions (or Memorandum of Understanding references)

CSR 1- Ensure the recommended average annual fiscal effort of more than 1% of GDP over the period 2010-2013 and implement the correction of the excessive deficit by 2013, in line with the Council recommendations under the Excess Deficit Procedure, thus bringing the high public debt ratio on a downward path, and ensure adequate progress to the medium-term objective thereafter; specify the necessary corresponding measures for 2012 onwards, take additional measures if needed and use any windfall revenues to accelerate the deficit and debt reduction as planned; continue to review the sustainability of the pension system and take additional measures if needed..

Latest reforms/comments

A reform of statutory pension schemes was passed in the French Parliament in November 2010. The most publicised outcome of the reform is the gradual increase of the statutory retirement age from 60 to 62 years by 2018 (latest plan: by 2017, though not yet legislated). The reform includes a series of other measures such as a gradual harmonisation of contribution rates between the public- and private-sector schemes or the creation of a right to early retirement (from age 60) for workers with a partial incapacity to work. Some technical changes have also been introduced to promote the development of funded pension schemes.





**Comment by the trade union organisation:**

France has new legislation. Individual farms are dwindling while the total workforce is rising as employers form labour recruitment combines. The exemption for employers' contributions on all production workers has reduced labour costs.

Migrant and seasonal workers in particular can be working up to age 65 or 67. The reality is that many migrants are employed under their own country's social security coverage, but do they have host country social security and pension coverage?

Ought not ongoing government reform plans to be included? What demands do trade unions have on social protection?

France's agricultural scheme is separate from the general scheme. Pensions are calculated on the 25 best years' earnings in each branch if they work elsewhere thereafter.

MEMBER STATE			ITALY		
Life expectancy at 65 M/F (2010)	Labour market exit age M/F (2009)	Pension age M/F (2009)	Pension age M/F (2020)	Increases in pension age after 2020 M/F	Pension fund assets, % of GDP, 2009
18.2/ 22	60.8/ 59.4	65/60	66y 11m/ 66y 11m	Retirement age linked to life expectancy (70 y 3 months for M/F in 2060)	4.1
Country Specific Recommendations (CSR) on pensions (or Memorandum of Understanding references)					
Latest reforms/comments					
During 2011, three successive legislative interventions (D. Law 111/2011, E. Law 148/2011 and Law 214/2011) have modified the Italian pension framework. The main measures brought about these last reforms may be summarised as follows: (i) The Notional Defined Contribution (NDC) method is applied also to workers under the Defined Benefit					





(DB) regime, previously fully exempt. The extension concerns contributions accrued as of 1st January 2012, according to the pro-rata rule; (ii) The statutory retirement age (SRA) of women in the private sector will be equalised to the one of men (and women in the public sector). The equalization process will be fully phased in by 2018; (iii) The 'exit window' mechanism has been abolished and replaced by a corresponding increase in the minimum age and/or contribution requirements; (iv) The contribution rates paid by the self-employed have been gradually increased from 20% in 2011 to 24% in 2018. The contribution rate of atypical workers has been increased by 1pp bringing it up to 27% as of 2012; (v) For the two-year period 2012-2013, pensions of an amount above 3 times the minimum pension (about 1,400 euro per month) are not indexed to price inflation; (vi) Even if indexed to changes in life expectancy, the minimum requirement to be entitled to the old age allowance has been increased by 1 year as of 2018, and then fully aligned to SRA; (vii) Early retirement channel based on a joint age and contribution (35 years) requirements has been abolished, in all regimes. Under the NDC regime, early retirement is allowed, up to three years before the SRA, with 20 years of contributions and an amount of pension of at least 1,200 euro per month in 2012, indexed with the five-year average of nominal GDP; (viii) The minimum contribution requirement to be entitled to an early pension regardless of age has been indexed to changes in life expectancy as of 2013, as foreseen for SRA.

Comment by the trade union organisation:

We are in the odd situation where the brain is somewhere other than it should be. Pay is low and we are swamped with immigrants. We have an agricultural social security scheme that provides social protection. We need to put together a general overview to check consistency. From where we stand, the EU is more like a Hansel and Gretel witch than a nurturing Earth Mother. Social Europe is not looking after workers' interests as regards social protection and working conditions.

A farm worker gets a year's guaranteed pension for 102 days worked. The Minister wants to scrap that entitlement. Seasonal workers do not get the highest protection.

The systems are not easy to explain. It would be a good idea for everyone to submit a summary paper in a uniform model for discussion at a future meeting. Whenever the principle of social security is put on the line, the finger is pointed at the EU. Fair and appropriate reforms are what are needed. I would like to find out more about systems across Europe: contributions, unemployment insurance/benefit - who pays? In Italy, the system is based on days worked.





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The different systems are not easy to grasp - a more overall view is needed. Workers get less help than farm businesses because of differences in assistance schemes between employers and the EU. A single national insurance scheme is needed.

We need to work together to finalize the material. The different sectors are now coming together to be able to claim agricultural benefits. A summary statement for each country is needed with the contracts used. Posted workers in Italy are governed by local law. Collective agreements should be included.

The overall position in agriculture as regards contracts and differences – like gender differences – needs to be included.

In Italy, each institute provides different figures for agriculture, but it is hard to identify the “right” contact.

There needs to be reciprocal treatment between countries. In Italy, a seasonal worker is listed after working 51 days in the year; if he does a further 51 days in the 2<sup>nd</sup> year, he gets 2 years' social security coverage.

A day's pay in Italy is €9.1. Workers are human beings and not to be exploited.

We have small farms, where most other countries have bigger ones. Our workers have second jobs in industry to get by.





MEMBER STATE			POLAND		
Life expectancy at 65 M/F (2010)	Labour market exit age M/F (2009)	Pension age M/F (2009)	Pension age M/F (2020)	Increases in pension age after 2020 M/F	Pension fund assets, % of GDP, 2009
15.1/ 19.5	61.4/ 57.5	65/60	65/60 (67/?)	(67/67)	13.5
Country Specific Recommendations (CSR) on pensions (or Memorandum of Understanding references)					
CSR 3 - Raise as planned the statutory retirement age for uniformed services, continue steps to increase the effective retirement age, such as linking it to life expectancy. Establish a timetable to further improve the rules for farmers' contributions to the social security fund (KRUS) to better reflect individual incomes.					
Latest reforms/comments					
Bridging pensions have been implemented from 2009. They replace and limit access to early retirement provision for some categories of workers. This is temporary solution for workers who started work in special conditions before 1999. The contribution to the DC scheme has been reduced from 7.3% to 2.3% of gross wages in 2011. The difference has been diverted to the PAYG scheme. The contribution will be gradually increased to reach 3.5% in 2017 and thereafter. The newly re-elected Government has proposed to raise the current 65/60 (M/W) pension ages to 67, between 2013 and 2020 (for men) and 2040 (for women).					





MEMBER STATE			ROMANIA		
Life expectancy at 65 M/F (2010)	Labour market exit age M/F (2009)	Pension age M/F (2009)	Pension age M/F (2020)	Increases in pension age after 2020 M/F	Pension fund assets, % of GDP, 2009
14/ 17.2	65.5/ 63.2	63y4m/ 58y4m	65/60	65/63	N/A
Country Specific Recommendations (CSR) on pensions (or Memorandum of Understanding references)					
<p>Memorandum of Understanding: According to the MoU covering the period 2009-2011 the conditionality on the pension system reform was: "The Government finalises the draft of a revised pension legislation (i) to gradually move towards indexing public pensions to consumer prices rather than to wages, (ii) to limit the scope for discretionary pensions increases, (iii) to phase-in pension contributions by groups of public employees currently excluded from such contributions and (iv) to gradually increase the retirement age in 2015 particularly for women, taking into account the evolution of life expectancies, with a view to protect vulnerable pensioners and to attain the objective of 45% replacement ratio for retirees on average". According to the current MoU covering the period 2011-2013, the conditionality refers to: "safeguard the long- term sustainability of the pension system".</p>					
Latest reforms/comments					
<p>A pension reform was adopted in December 2010. The reform integrates special regimes in the social insurance one, introduces a mechanism for recalculating the special pensions, and increases the retirement age to 65 years for men and 63 years for women by 2030. Early retirement is more strictly regulated, while disability pensions are granted under more severe conditions. The reforms are expected to bring important savings to the system and to reduce the number of beneficiaries. Moreover, the government has suspended legal provisions that would have seen contributions to the mandatory DC scheme rise from 2% to 2.5% of employees' gross salary in 2009. The scheduled increase has been restarted in 2010, so that ultimately the contribution rate would reach 6% of wage some time in the future.</p>					







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## 6-Other input to the research

### 6.1. Condensed review of previous work

This comprises work done in connection with other sectoral projects, but also work that we consider can inform the discussions at the two workshops and the conference.

This is prefaced with a digest of key general observations arising out of the 2009 posted work project, and the 2010 project on mobility:

GERMANY
Foreign workers tend not to be unionised. Checks are infrequent because of the layouts of farm businesses (spread across large areas).
It is difficult to apply collective agreements to incoming foreign workers; German trade unions have to use the media as leverage to get workers' rights complied with.
Germany is not untouched by practices that lack transparency, as can be seen from the existence of letterbox companies (EU companies that set up non-EU subsidiaries to post workers to one of the new Member States who are then sent to another Member State but keep the new Member State's terms of employment).
Trade unions have taken a close interest in the matter. The aim is to ensure mobility in a level playing field. The risks and side effects of mobility must be precluded as much as possible. National offices provide advice and information to prepare workers for what awaits them in other countries.





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## BULGARIA

Meetings and exchanges have enabled the social partners and some state institutions to get to know one another and voice their different views on posted workers. The trade unions have a very clear line on it, and count current practices as social dumping through the intermediary of gangmaster agencies.

Interaction between government agencies in Bulgaria takes place via policy meetings. This is when issues are hammered out. One trade union organization has since struck up contacts with government agencies to keep close tabs on access to information and has kitted itself out with specific resources.

Most Bulgarians have little formal education. In the old days, workers working abroad did not know about their rights. Bulgarians can only move around in 16 countries; restrictions apply for the others. There are 4 agreements with Germany on taking migrant workers in different sectors; they are working well, and there will soon be one for agriculture.

## SPAIN

Posted work in Spain. Exchanges between government agencies are two-way:

- Spanish workers posted to different Member States. The host countries are: France (harvest), about 9,000 workers for periods of approximately 9 months per year, depending on the number of harvests (lettuces, grapes, apples, etc.) - Belgium, but the number of workers is now marginal (500 workers, against 3,000 four years ago, who went off their own bat)
- Workers from Member States - Bulgaria, Poland, Romania – most often paid less than the collectively agreed wage. Most of these workers are brought in via gangmaster agencies located in their home country, a trend that has made things much worse, particularly for Bulgaria and Romania, since their accession. The economic crisis has not significantly reduced the stream of incomers because these gangmaster agencies send workers on a regular basis.

The situation regarding coordination and information for both posted and other workers is hard to pin down, apart from in the matters addressed through trade union cooperation with Bulgaria. However, a structure (COAG) developed in recent years is helping to improve access to information and monitoring.

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## FRANCE

Service provider company employees tend to be kept apart from other employees in the host country and overseen by a gangmaster who not infrequently acts as an interpreter and prevents contacts and interaction with other workers. Not knowing the host country language is also a big obstacle;

The cross-border aspect is another obstacle: trade unions are organized on a country basis, making it hard to establish a union of record for workers from non-EU countries, for example, working for a firm headquartered in a Member State which sends them to a second Member State;

Activists have found that employees of service provider companies are too scared to seek the health care they need, or lack the necessary paperwork when turning up at the hospital. This suggests that they are undeclared, or that their declarations are not in order (e.g., Polish workers employed in France but registered in Portugal where they have never actually been).

## ITALY

The Italian trade unions have noted the following things:

- Pay: the average pay of foreign workers, posted or otherwise, is less than half the collectively agreed wage;
- Working hours: 8 to 10 hours a day, whereas collective agreements provide for 6.5 hours;
- Leave: none, nor any compensation in lieu;
- Working conditions: often inhumane, with no health and safety protection measures;
- Employment contracts: written contracts are agreed between Italian companies and labour supply agencies; the workers and unions do not know of their existence;
- Union representation: the trade unions want company/agency agreements to be filed with the labour office and the Bilateral Agricultural and Area Organization so that public authorities and the unions can act to ensure the protection of workers;

Checks: in reality, virtually nonexistent



**ROMANIA**

Historically, Romania has for some years now been a labour supplier for a large number of Member States in particular.

Trade union representation of posted Romanian workers is also an issue common to the great majority of the Member States surveyed: demands to join a union are met with pressure up to and including being sent back. An example was also given of posted women workers in Spain branded troublemakers (and not allowed back in) after attempting to form a union. Two years on, the situation has changed little save as regards the workers themselves who are now finding there is much to be said for being represented in the host country.

## 6.2. Identification of coordination practices - cooperation agreements and employers' practices

Preliminary note: the purpose is to assess changes in practices between trade unions in the project partner countries and national social security institutions. While there is certainly no compulsion in this regard, the project on posted work did reveal:

- A need to be more precisely elucidated. The agricultural sector accounts for high inflows of posted and seasonal workers for whom the project mentioned earlier revealed a need for interaction with social security institutions so that workers seeking union representation can be referred to trade unions. That also requires practical cooperation between trade unions in sending and receiving countries. While this falls outside the scope of this project, it reflects a need highlighted in various other projects.
- The commitment to ongoing exchanges in France, in particular. However, it would seem that these exchanges have not subsequently been kept up.

At the time of writing, there is no updated information on these practices to hand. The planned workshop in Italy should give an opportunity to inquire further into this and to update the information. Also, the guide proposed during project rollout should help ease exchanges with these agencies.

This project should also help to identify any agreements that the social partners have implemented on the provision of information, monitoring, and assistance to workers





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affected by these issues (be it social insurance coverage for health care, unemployment, or even exportability of entitlements). The aim is to produce a guide whose content will be incorporated into the training sessions run by the project partner organizations.

The "direct" questionnaire to workers was purpose-designed to give content to the guide by linking cooperation practices to workers' needs; however, the questionnaire response rate to date does not enable such a guide to be developed. The project partners are therefore asked to press forward with the survey work, likewise any of them who can inform those replies, during July.

## 7-Points of analysis - recommendation - working method

The Lecce meeting was an opportunity to discuss the project objectives and means of delivery. Substantively, the discussions focused on:

- creating a support structure specific to seasonal, posted and migrant workers: what form might such a structure take? The participants did not endorse the idea of such a structure, rightly arguing that the long-term human and financial resources needed made it unmanageable;
- creating a website aimed at these groups and run by the national organisations in partnership with social security organisations (as part of transnational relations) on the basis of an agreement: the site per se is not an issue, as it only involves validating the content proposed at the conference. The real difficulty arises in the partnership with social security institutions, as this is an area where there is almost no precedent, as was noted above. Arguably, a small number of countries – e.g., France, Germany, Romania, Bulgaria - should take the initiative in order to give momentum. After this – what might be called “experimental” - phase, the next stage would be to extend the process to all the project partners, and thereafter to the entire EU-27;
- posting practical information on trade union websites with links to other sites contributing to the production of relevant information: posting of practical information on partner sites is under way, but requires work which draws on the MISSOC system, for which the partners gave responses, to be validated. That validation will have to be done at the general conference, and will also enable the site [www.agri-info.eu](http://www.agri-info.eu) to be updated as foreseen in the project;

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- creation of a standardised welcome booklet (see below) based on those used in some Member States (devised as a product of transnational projects in our sector) by migrant and seasonal labour provider and/or user enterprises, and labour supply agencies. This must include rights, obligations and the risks entailed by illegal work. The welcome booklet is being developed and will need to be informed by the replies to the “direct” questionnaires. The preferred method of dissemination is via the site. This is considered further below;
- production of educational content aimed at national trade union organisation trainers to be disseminated at training sessions for their member unions: what is the minimum content?

The educational content is being developed and a special presentation will be given on it at the working meeting in Romania attended by Bulgarian and Romanian delegations.

It covers:

- Legal aspects of the principles of coordination
- What anyone wanting to work in another Member State needs to know beforehand
- The need for a written contract setting out all the particulars relating to social security coverage and the transfer of rights
- All the sites where relevant information can be found, especially [www.agri-info.eu](http://www.agri-info.eu)
- The value of joining a union

The content is designed to be an hour long

- Adjustments to offset the difficulties of implementing the actions proposed for project rollout: the idea of a specific structure for seasonal agricultural workers was not widely supported (see above). It is proposed that a charter be drawn up that would commit employers, including labour providers, to a number of things:





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- o An obligation to provide a written contract setting out all the particulars relating to social security coverage and the transfer of rights
- o A document listing all the organizations that any worker will need to get in touch with during the performance of his contract, and on returning home.

## 8-Welcome booklet

The welcome booklet is intended to be an information resource to support and supplement other existing information sources (websites, brochures). It is also intended as a means for trade unions to make contact by catching the interest of the workers concerned.

The welcome book was originally planned to be a standalone resource. The way the project has gone forward has led us to refocus the thinking somewhat towards:

- Posting links online to the website of trade unions and other organizations that have produced such booklets;
- A specific page listing the different welcome booklets that have come to our attention during the course of the project.

The site on which this information can be found is: [www.agri-info.eu](http://www.agri-info.eu)















**ANNEX: Summary table of pension situations in the EU (27 MS)**

Country	Legal pension age	Average Labour market exit age
Germany 	67 years	women: 61.4 years men: 62.1 years (2008)
Austria 	women: 60 years men: 65 years	women: 59.4 years men: 62.6 years (2007)
Belgium 	65 years	women: 61.9 years men: 61.2 years (2007)
Bulgaria 	women: 60 years men: 63 years	---
Cyprus 	65 years	---
Denmark 	65 years	women: 60.3 years men: 62.3 years (2008)
Spain 	65 years	women: 62.7 years men: 62.5 years (2008)
Estonia 	women: 61 years 6 months men: 63 years	62.1 years (2008)
Finland 	65 years	women: 61.3 years men: 62 years (2007)
France 	60 years (62 years from 2017)	women: 59.1 years men: 59.4 years (2008)














Greece 	women: 60 years (raised to 65 by 2013) men: 65 years	women: 61 years men: 61.9 years (2008)
Hungary 	62 years (phased rise to 65 by 2022)	women: 58.7 years men: 61, 2 years (2005)
Ireland 	66 years	women: 64.7 years men: 63.5 years (2006)
Italy 	women: 60 years men: 65 years	women: 60.7 years men: 60.8 years (2008)
Latvia 	62 years	62.7 years (2008)
Lithuania 	women: 60 years men: 62.5 years (phased rise to 65 by 2026 for all)	59.9 years (2006)
Luxembourg 	65 years	59.4 years (2005)
	Born pre-1952: 61 years for men, 60 years for women	
Malta 	Born between 1952 and 1955: 62 years Born between 1956 and 1958: 63 years Born between 1959 and 1961: 64 years Born after 1962: 65 years	59.8 years (2008)
Netherlands 	65 years	women: 62.8 years men: 63.7 years (2008)
Poland 	women: 60 years men: 65 years	women: 57.5 years men: 61.4 years (2007)





<p>Portugal </p>	65 years	women: 62.3 years men: 62.9 years (2007)
<p>Czech Republic </p>	62 years 4 months for men and 56 years 8 months for women with 5 or more children to 60 years 8 months for childless women Phased rise: 65 for men and women with one child and 62 to 64 years for those with more than 1 child	women: 59 years men: 62.3 years (2008)
<p>Romania </p>	64 years 1 month for men and 59 years 1 month for women Phased rise to 65 years by 2015 for men and 63 years for women by 2030	---
<p>United Kingdom </p>	women: 60 years men: 65 years (phased rise to 65 years by 2020 (planned rise to 68 years by 2046))	women: 62 years men: 64.1 years (2008)
<p>Slovakia </p>	62 years	women: 57.8 years men: 59.7 years (2007)
<p>Slovenia </p>	After 15 years' insurance: 65 years for men and 63 years for women After 20 years' insurance: 63 years for men and 61 years for women After 40 years' insurance for men and 38 for women: 58 years	59.8 years - 2006
<p>Sweden </p>	Flexible age between 61 years and 67 years, can work beyond with employer's agreement.	women: 63.2 years men: 64.4 years (2008)

MISSOC data: situation at 1 July 2011

